
State: District of Columbia **Filing Company:** American Family Life Assurance Company of Columbus

TOI/Sub-TOI: MS02I Individual Medicare Supplement - Pre-Standardized/MS02I.000 Medicare Supplement - Pre-Standardized

Product Name: 2017 Medicare Supplement Rate Filing - Pre-standardized Plans

Project Name/Number: 2017 Medicare Supplement Rate Filing - Pre-standardized Plans/2017 Medicare Supplement Rate Filing - Pre-standardized

Filing at a Glance

Company: American Family Life Assurance Company of Columbus

Product Name: 2017 Medicare Supplement Rate Filing - Pre-standardized Plans

State: District of Columbia

TOI: MS02I Individual Medicare Supplement - Pre-Standardized

Sub-TOI: MS02I.000 Medicare Supplement - Pre-Standardized

Filing Type: Rate

Date Submitted: 11/08/2016

SERFF Tr Num: AFLA-130799450

SERFF Status: Submitted to State

State Tr Num:

State Status:

Co Tr Num: DC17A19000RATE

Implementation: 07/01/2017

Date Requested:

Author(s): Kimberly Clevenger, Angela Baird, Tiffany Deal

Reviewer(s):

Disposition Date:

Disposition Status:

Implementation Date:

State: District of Columbia **Filing Company:** American Family Life Assurance Company of Columbus

TOI/Sub-TOI: MS021 Individual Medicare Supplement - Pre-Standardized/MS021.000 Medicare Supplement - Pre-Standardized

Product Name: 2017 Medicare Supplement Rate Filing - Pre-standardized Plans

Project Name/Number: 2017 Medicare Supplement Rate Filing - Pre-standardized Plans/2017 Medicare Supplement Rate Filing - Pre-standardized

General Information

Project Name: 2017 Medicare Supplement Rate Filing - Pre-standardized Plans Status of Filing in Domicile: Pending

Project Number: 2017 Medicare Supplement Rate Filing - Pre-standardized Plans Date Approved in Domicile:

Requested Filing Mode: Review & Approval

Domicile Status Comments:

Explanation for Combination/Other:

Market Type: Individual

Submission Type: New Submission

Individual Market Type:

Overall Rate Impact: 3.5%

Filing Status Changed: 11/08/2016

State Status Changed:

Deemer Date:

Created By: Tiffany Deal

Submitted By: Tiffany Deal

Corresponding Filing Tracking Number:

Filing Description:

RE: Actuarial Memorandum for Medicare Supplement Policies Individual Pre-standardized Plans

Company Filing #DC17A19000RATE

This submission constitutes a request for a rate increase on policy forms that provide benefits to supplement Medicare for Parts A and B. Enclosed are actuarial memorandums providing the necessary information for justifying the request. This submission is also being made to comply with the annual rate filing requirement.

Upon approval, the new rates referenced above will be implemented on July 1, 2017.

In addition to justification for the rate increase, each Actuarial Memorandum provides the policy form involved and the policy approval date. The overall premium impact of the filing on District of Columbia's policyholders is \$182.00 for two policyholders.

This submission contains an actuarial memorandum for the Individual Pre-standardized plans and the appropriate certification forms.

Current policyholders will receive notification of this rate increase at least 30 days prior to the billing date that will reflect this rate increase.

Company and Contact

Filing Contact Information

Tiffany Deal, Policy Analyst
1932 Wynnton Road
Columbus, GA 31999

TDeal@aflac.com
706-596-3806 [Phone] 3806 [Ext]
706-660-7080 [FAX]

Filing Company Information

American Family Life Assurance
Company of Columbus
1932 Wynnton Road
Columbus, GA 31999
(706) 323-3431 ext. [Phone]

CoCode: 60380
Group Code: 370
Group Name:
FEIN Number: 58-0663085

State of Domicile: Nebraska
Company Type: Life and
Health
State ID Number:

State:	District of Columbia	Filing Company:	American Family Life Assurance Company of Columbus
TOI/Sub-TOI:	MS02I Individual Medicare Supplement - Pre-Standardized/MS02I.000 Medicare Supplement - Pre-Standardized		
Product Name:	2017 Medicare Supplement Rate Filing - Pre-standardized Plans		
Project Name/Number:	2017 Medicare Supplement Rate Filing - Pre-standardized Plans/2017 Medicare Supplement Rate Filing - Pre-standardized Plans		

Filing Fees

Fee Required? No

Retaliatory? No

Fee Explanation:

State:	District of Columbia	Filing Company:	American Family Life Assurance Company of Columbus
TOI/Sub-TOI:	MS021 Individual Medicare Supplement - Pre-Standardized/MS021.000 Medicare Supplement - Pre-Standardized		
Product Name:	2017 Medicare Supplement Rate Filing - Pre-standardized Plans		
Project Name/Number:	2017 Medicare Supplement Rate Filing - Pre-standardized Plans/2017 Medicare Supplement Rate Filing - Pre-standardized Plans		

Rate Information

Rate data applies to filing.

Filing Method:	SERFF
Rate Change Type:	Increase
Overall Percentage of Last Rate Revision:	3.500%
Effective Date of Last Rate Revision:	07/01/2016
Filing Method of Last Filing:	SERFF

Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
American Family Life Assurance Company of Columbus	3.500%	3.500%	\$182	2	\$5,201	3.500%	3.500%

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Supporting Document Schedules

Satisfied - Item:	Cover Letter All Filings
Comments:	
Attachment(s):	DC Cover Letter A-19000Rerates.pdf
Item Status:	
Status Date:	

Bypassed - Item:	Certificate of Authority to File
Bypass Reason:	N/A
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	Actuarial Memorandum
Comments:	
Attachment(s):	Washington D.C. 2017 MS Actuarial Memorandum - Pre60 Rates.pdf Washington D.C. 2017 MS Actuarial Memorandum - Pre60.pdf
Item Status:	
Status Date:	

Satisfied - Item:	Actuarial Justification
Comments:	Please refer to the attachments under "Actuarial Memorandum".
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	District of Columbia and Countrywide Loss Ratio Analysis (P&C)
Bypass Reason:	Not P&C related.
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	District of Columbia and Countrywide Experience for the Last 5 Years (P&C)
Bypass Reason:	Not P&C related.
Attachment(s):	
Item Status:	

State:	District of Columbia	Filing Company:	American Family Life Assurance Company of Columbus
TOI/Sub-TOI:	MS021 Individual Medicare Supplement - Pre-Standardized/MS021.000 Medicare Supplement - Pre-Standardized		
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Status Date:	
Bypassed - Item:	Actuarial Memorandum and Certifications
Bypass Reason:	N/A to this filing.
Attachment(s):	
Item Status:	
Status Date:	
Bypassed - Item:	Unified Rate Review Template
Bypass Reason:	N/A to this filing.
Attachment(s):	
Item Status:	
Status Date:	



Rita S. Golden, HIA, AIRC, ACS, MHP
Director, Regulatory Compliance
Compliance Department

November 8, 2016

NAIC #60380

The Department of Insurance, Securities & Banking
Products Analysis Division
810 First Street, NE, Suite 701
Washington, DC 20002

**RE: Actuarial Memorandum for Medicare Supplement Policies Individual
Pre-standardized Plans**

Company Filing #DC16719000RATE

This submission constitutes a request for a rate increase on policy forms that provide benefits to supplement Medicare for Parts A and B. Enclosed are actuarial memorandums providing the necessary information for justifying the request. This submission is also being made to comply with the annual rate filing requirement.

Upon approval, the new rates referenced above will be implemented on July 1, 2017.

In addition to justification for the rate increase, each Actuarial Memorandum provides the policy form involved and the policy approval date. The overall premium impact of the filing on District of Columbia's policyholders is \$182.00 for two policyholders.

This submission contains an actuarial memorandum for the Individual Pre-standardized plans and the appropriate certification forms.

Current policyholders will receive notification of this rate increase at least 30 days prior to the billing date that will reflect this rate increase.

This filing was prepared by Tiffany Deal. Should you have any questions or comments concerning this submission, please do not hesitate to contact her by calling collect at (706) 596-3806, by fax at (706) 660-7080 or email at tdeal@aflac.com.

Sincerely,

Rita Golden
RG/td

American Family Life Assurance Company of Columbus (Aflac)
Pre-Standardized Medicare Supplement Insurance
2017 Monthly Premium Rates
Inforce Policies Issued Prior to 11/06/1991

Washington D.C.

		Issue Age Band				
<u>Form</u>		<u>65</u>	<u>66-70</u>	<u>71-75</u>	<u>76-80</u>	<u>81+</u>
A-19000-12	Current	143.60	152.55	161.50	188.60	202.00
A-19000-12	Revised	148.65	157.90	167.15	195.20	209.05
A-19050-DC	Current	59.30	68.15	81.00	93.60	100.60
A-19050-DC	Revised	61.40	70.55	83.85	96.90	104.10
A-19053-DC	Current	22.75	23.55	24.50	25.10	25.80
A-19053-DC	Revised	23.55	24.35	25.35	26.00	26.70

Quarterly = 3 X Monthly
Semi-Annual = 6 X Monthly

Annual = 11 X Monthly

American Family Life Assurance Company of Columbus (Aflac)
Pre-Standardized Medicare Supplement Insurance
Actuarial Memorandum
Washington D.C.

Purpose of the Filing:

This filing has been prepared to request approval for the proposed changes to the rates and to comply with annual filing requirements. The premiums are being revised as a result of changes in cost levels and changes in the Medicare program. The policy forms subject to the proposed rate revisions and the amounts of the proposed rate revisions are listed in the **Forms Summary/Proposed Rate Revision Exhibit**. These forms were issued with a **60% Lifetime Loss Ratio Requirement** prior to 11/06/1991.

General Description:

Issuer Name:	American Family Life Assurance Company of Columbus (Aflac)
Form Number:	The policy form numbers are listed in the exhibit labeled Forms Summary/Proposed Rate Revision Exhibit .
Type of Policy:	Pre-Standardized Medicare Supplement Individual coverage.
Benefit Description:	These policy forms provide benefits which supplement Medicare and are in compliance with the NAIC guidelines. A benefit description is contained in the exhibit labeled Benefits Summary .
Renewal Provision:	The policy forms in this block are guaranteed renewable .
Marketing Approach:	These policy forms were marketed by Agents and by Brokers. They are no longer sold.
Issue Age Limits:	These policy forms were issued to all individuals age 65+ who were eligible for Medicare and if applicable, to disabled individuals age 64 and below.
Premium Basis:	The premiums for these policies are issue age rated.
Actuarial Certification:	Certification of a qualified actuary is attached.
Target Loss Ratio:	The originally filed and target lifetime loss ratio is 60%.
Open or Closed Block:	All policy forms have been withdrawn from sale.

Methodology and Assumptions used to Determine the Rates:

Methodology:

To increase statistical credibility, we used nationwide experience and combined all plans. Revised premiums were then calculated using a combination of rating models and actuarial judgement. The resulting premiums were then tested to assure that both lifetime and future anticipated loss ratios meet minimum standards.

Assumptions:

- Claim Costs:** Claim costs were based on recent Company experience. In projecting future premiums and claims for calendar years 2018 and later, it was assumed that premiums and claims would both increase at the rate of 5.0% per year.
- Trend:** Trend factors to update claim costs from 2016 to 2017 were based on recent company experience, input from CMS, 2016 Annual Report of the Boards of Trustees of the Federal Hospital Insurance and Federal Supplementary Medical Insurance Trust Funds, input from consultants, and judgement.
- Persistency:** Persistency is based on recent Company experience.
- Interest:** The interest rate used for accumulating past experience and discounting future experience is 5%.

Rate Sheets:

The **Premium Rates Exhibit** contains a set of proposed rates.

Rate History:

A history of **rate revisions** applicable to policyholders for each form in this state is shown in the **Rate Revisions Exhibit**.

Inforce Counts:

Inforce counts for this state and the nation are shown in the **Inforce Exhibit**.

Data Requirements:

Historical experience is provided on both a nationwide as well as a state-specific basis, if state experience is available. The **Experience Exhibit** contains historical experience.

Loss Ratio Demonstration:

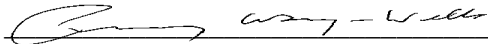
A Loss Ratio Demonstration is included in the **Loss Ratio Exhibit**. The demonstration includes both the Lifetime and Future Anticipated Loss Ratios for those forms with similar loss ratio requirements. Projections of Earned Premiums and Incurred Claims have been provided with all plans combined in order to increase statistical credibility.

Actuarial Certification

Company: American Family Life Assurance Company of Columbus (Aflac)

Rate Submission: 2017 Pre-Standardized Medicare Supplement Annual Rate Filing and Premium Increase Filing

The anticipated loss ratios for these policies are at least 60% and to the best of my knowledge and belief, the benefits provided are reasonable to the premium charged, and in my opinion, the rates are not excessive, inadequate or unfairly discriminatory.



Penny Way-Wells, FSA, MAAA
Director, Rerating/Profitability

11/7/2016

Date

American Family Life Assurance Company of Columbus (Aflac)
Pre-Standardized Medicare Supplement Insurance
60% Loss Ratio Requirement Forms Summary
Inforce Policies Issued Prior to 11/06/1991
Washington D.C.

<u>Policy Form</u>	<u>Type</u>	<u>Approval Date of Original Form</u>	<u>Proposed Increase</u>
A-19000-12	Base	3/19/1990	3.5%
A-19050-DC	Rider		3.5%
A-19053-DC	Rider		3.5%

American Family Life Assurance Company of Columbus (Aflac)
Pre-Standardized Medicare Supplement Insurance
Inforce Policy Count & Annualized Premium by Series
Inforce Policies Issued Prior to 11/06/1991
As of 06/30/2016

Washington D.C.

<u>Policy Form</u>	<u>Annualized Premium</u>	<u>Policy Count</u>	<u>Average Annual Premium</u>
A-19000 et al.	\$ 5,201	2	\$ 2,600

Nationwide

<u>Policy Form</u>	<u>Annualized Premium</u>	<u>Policy Count</u>	<u>Average Annual Premium</u>
A-19000 et al.	\$ 1,959,646	533	\$ 3,677
A-19200 et al.	1,065,453	276	3,860
A-19700 et al.	64,026	28	2,287
A-19800 et al.	378,806	96	3,946

American Family Life Assurance Company of Columbus (Aflac)
Pre-Standardized Medicare Supplement Insurance
60% Loss Ratio Requirement Forms Summary
Summary of Rate Revisions
Washington D.C.

Historical Rate Revision

Calendar <u>Year</u>	Aggregate Rate <u>Revision</u>
1989	0.00
1990	0.00
1991	0.00
1992	0.00
1993	0.00
1994	0.00
1995	0.00
1996	7.40
1997	10.00
1998	8.40
1999	29.00
2000	9.00
2001	12.00
2002	8.00
2003	9.50
2004	6.00
2005	0.00
2006	0.00
2007	0.00
2008	7.50
2009	4.50
2010	5.00
2011	3.00
2012	5.00
2013	5.00
2014	5.00
2015	3.50
2016	3.50
Proposed Rate Revision	
Calendar <u>Year</u>	Aggregate Rate <u>Rate</u>
2017	3.50

Benefit Summary:

Benefits provided under these forms include:

A-19000-12: Base Plan

Hospital Benefit: pays the daily and lifetime reserve day co-payments, and 100% of hospital expenses, as they would have been determined by Medicare, incurred after Medicare benefits are exhausted.

Blood Transfusion Benefit: pays for up to three pints of blood.

Skilled Nursing Benefit: pays the daily benefit from the 21st day through the 100th day of confinement in a Skilled Nursing Facility, in a benefit period.

Skilled Nursing Benefit: pays the increased Skilled Nursing benefit from the 101st to the 365th day of confinement.

Part B Benefit: pays the coinsurance amounts of Medicare eligible Part B expenses after the Medicare Calendar year deductible.

Accidental Death Benefit: pays an accidental death benefit of \$1,000 increased by \$1,000 at each annual renewal date.

A-19050-DC: Rider

Part A Benefit: pays initial deductible amount once each benefit period.

A-19051-DC: Rider

Excess Charge Benefit: pays the nonassigned eligible expense portion which is up to 80% over the amount set as allowable by Medicare.

A-19052-DC: Rider

Cash Supplement Benefit: pays 50% of the coinsurance amount of Medicare eligible Part B expenses after the Medicare Calendar year deductible.

Private Nursing Benefit: pays up to \$50 per day for private nursing while confined to a hospital.

Foreign Travel Benefit: pays \$200 per day for hospital confinement outside the U. S. and its territories, beginning with the 2nd day up to a maximum of 180 days.

A-19053-DC: Rider

Part B Deductible Benefit: pays for the approved charges incurred for the Medicare Part B Calendar year deductible.